

Media Release

CHANGI AIRPORT TO INVEST S\$3 BILLION OVER NEXT SIX YEARS TO STRENGTHEN SINGAPORE'S POSITION AS A GLOBAL AIR HUB

Airport charges to be progressively raised to finance investments, recover costs for investments during Covid-19, and cater for higher operating costs; rebates to help airlines with transition

SINGAPORE, 7 November 2024 – Changi Airport Group (CAG) will invest S\$3 billion over the next six years in Singapore Changi Airport Terminals 1 to 4 to improve services such as baggage handling, check-in, immigration and Skytrain connections between terminals, as well as to replace end-of-life systems to facilitate smoother passenger and airline experience. The investments will help Changi Airport stay competitive and meet rising demand for air travel before Terminal 5 is operational in the mid-2030s.

2 Airport charges will be progressively raised between 2025 and 2030, to fund these investments, and cater for higher operating costs such as manpower. This also enables the recovery of significant investments made during the Covid-19 pandemic, such as the expansion of Terminal 2 and check-in counter capacity in Terminal 3, when passenger fees and airlines charges were frozen and planned increases were suspended. To help airlines with the transition, a 50% rebate on increases in landing, parking and aerobridge (LPA) charges will be given to airlines for the first six months.

3 Based on current ticket prices, the increase in passenger fees is estimated to be about 1% or less for an economy class ticket on most flights departing from or connecting through Singapore. The Civil Aviation Authority of Singapore (CAAS) will work with CAG to monitor the air hub's performance to respond nimbly and make further adjustments if needed, to ensure the air hub's competitiveness.

Investments to keep Changi Airport at the forefront

4 Air travel demand is expected to grow strongly over the next few decades, particularly in the Asia-Pacific region. Both the International Air Transport Association and Airports Council International have projected global passenger volumes to at least double between 2023 and 2043, with Asia-Pacific recording the fastest rise, and contributing to more than half of this growth. As a major air hub for the Asia-Pacific region and beyond, Changi Airport is well-poised to serve this rise in demand and provide better connectivity to travellers. The aviation sector will continue to be a key driver of economic growth for Singapore and provide more and better jobs for Singaporeans.

5 Over the past few years, including during the Covid-19 pandemic, CAG has invested heavily in airport infrastructure to position the Changi air hub for recovery and growth. These include the significant expansion and upgrading of Changi Airport Terminal 2 spanning the departure, immigration and transit halls and its baggage handling system, increasing the terminal's handling capacity by five million to 28 million passengers per annum; additional check-in facilities in Terminal 3; new aircraft parking stands as well as operationalisation of the three-runway system.

6 CAG will further invest S\$3 billion over the next few years to expand Changi Airport's capacity, efficiency and resilience, improve the passenger experience and make the airport a more attractive place to work. The investments include the following:

- a) **Rejuvenation of Skytrain subsystems:** Changi Airport will replace various Skytrain subsystems, including signalling and communications, which started operations in 2008 and are nearing end-of-life. New cars will

also be added to provide additional capacity. The rejuvenation will help improve operational performance before the entire system is overhauled in the late 2030s.

- b) **Upgrading of Terminal 3 Baggage Handling System and the new Terminal 1 to 3 Inter-Terminal Baggage Conveyance System:** Changi Airport will upgrade its Terminal 3 Baggage Handling System to enhance capacity, energy efficiency and resilience. The upgrade includes a revamp of its Early Bag Storage subsystem that will boost capacity by 65%.

A new rooftop Inter-Terminal Baggage Conveyance System connecting Terminal 1 to Terminal 3 will also be constructed, creating a second pathway for passenger baggage to be transferred between the two terminals. This will ease the demand on the current underground system and reduces manpower needed for the towing of baggage.

- c) **More check-in rows at Terminal 4:** A new check-in row is being constructed at Terminal 4's departure level. It will integrate Fast and Seamless Travel facilities comprising self-service check-in kiosks and automated bag drops. The new facilities will increase the terminal's check-in capacity by about 15% and allow it to accommodate up to 2,500 passengers per hour.
- d) **Expansion of Terminal 1 Arrival Immigration Halls:** The capacity of Terminal 1's East and West Arrival Immigration Halls will be expanded by almost 60%. The larger space will relieve the key bottlenecks for arrival clearance especially during peak periods. Along with the Immigration & Checkpoints Authority's New Clearance Concept, passengers can expect an even better arrival experience at Terminal 1 in the future.
- e) **Strengthening of airside infrastructure:** Airlines around the world are set to introduce Boeing's new B779 family of planes into their fleets when the aircraft is ready for operations by 2026. As the world's longest twin-engine aircraft, the B779 has a wheel load that is most demanding

on aircraft pavements. While most of Changi Airport's existing infrastructure can handle the operational demands of the B779, some taxiways will need to be reinforced and contact stands upgraded. In total, Changi Airport will have 39 contact stands across its terminals that can receive this aircraft.

- f) Construction of new airside facilities:** CAG also plans to construct more remote aircraft parking stands that can be used for both passenger and cargo aircraft. This will bring the total number of aircraft stands to more than 200. A taxiway will also be extended to connect these facilities to the rest of the airport. These works will meet the rising demand for aircraft parking at Changi Airport. New smart systems will be introduced to minimise delays in aircraft turnaround, enabling airlines to optimise their operations with greater precision.

- g) Refurbishment of Terminal 3:** CAG is planning to rejuvenate the systems and terminal facilities at Terminal 3, which opened in 2008 and will be more than 20 years old by 2030. It will be an opportunity to elevate the passenger experience and expand Changi's retail offerings.

7 To enhance the safety and well-being of airport workers, CAG will invest in more staff facilities. These include refresh pods to mitigate heat stress, enhancements to lightning shelters to protect staff during inclement weather, and improved staff lounges and rest areas.

8 Initiatives have also been introduced to improve manpower productivity and create opportunities for upskilling among ground staff so that they can take on higher value roles. These include trials to use artificial intelligence for security screening and to increase automation for airport ground handling operations, such as greater adoption of autonomous vehicles on the apron.

Increase in airport charges and Aviation Levy

9 Airport charges will be increased progressively between 2025 and 2030 to fund the new investments, and cater for higher operating costs including for manpower and energy. In particular, wages for airport workers have increased over the past few years and are expected to continue growing in line with national initiatives such as the Progressive Wage Model. The charges also take into consideration earlier investments made during the Covid-19 pandemic when charges were held constant from 1 April 2020 to 1 November 2022, and planned increases were suspended to help airlines tide over the crisis. The key revisions are as follows:

For passengers:

- a) **Origin/Destination¹ (OD) passengers departing from Changi Airport:**
Passenger Service and Security Fee (PSSF) for OD passengers, presently S\$46.40, will remain unchanged for two years until 31 March 2027. This will then increase by S\$3 annually for four years from 1 April 2027. The fee increase per departing flight from 1 April 2027 is about 1% of an economy class ticket to Bangkok, and less than 0.5% of an economy class ticket to Tokyo or London, assuming today's ticket prices.

- b) **Transfer/Transit² (TT) passengers connecting at Changi Airport:**
PSSF for TT passengers, presently S\$6, has remained unchanged since 2015 even as fees and charges were last reviewed in 2018. It will increase by S\$3 annually for three years from 1 April 2025, and S\$1 annually for the next three years. The fee increase per transfer from 2025 is less than 1% of an economy class ticket from London to Sydney, with a connection at Changi Airport. The price adjustments for TT passengers will apply to air tickets issued from 1 January 2025, for travel from 1 April 2025.

¹ An origin/destination passenger refers to a passenger who begins their trip from Changi Airport to another destination.

² A transfer/transit passenger refers to a passenger travelling to another country via Singapore, without clearing Singapore arrival immigration.

For airlines:

- a. **LPA charges:** LPA charges for airlines operating at Changi Airport will be adjusted annually from 1 April 2025. The LPA charge for a narrow-body A320 aircraft, presently around S\$1,200 per landing, will increase annually by an average of S\$110 per landing for the first three years, and an average of about S\$65 per landing for the next three years. The LPA charge for a wide-body A350 aircraft, presently around S\$3,600, will increase annually by an average of S\$290 per landing for the first three years, and an average of about S\$190 per landing for the next three years.

10 CAG and CAAS have engaged major airlines on the revisions to the airport charges. To help airlines with the transition, CAG will provide a 50% rebate on the increase in LPA charges for six months, from 1 April 2025 to 30 September 2025. More information will be shared with airlines subsequently.

11 CAAS will continue to work with the aviation eco-system, including the airport operator, airlines, ground handlers and other companies, and aviation professionals to grow the Singapore air hub, including through enabling policies, regulations and infrastructure; safety oversight; and new capabilities in sustainability, innovation, manpower development and cybersecurity. The Aviation Levy which finances CAAS's operations, presently S\$8 for OD passengers, will remain unchanged until 1 April 2027, when it will see a one-time increase of \$2, to \$10.

12 CAAS and CAG will continue to grow Changi's network from around 160 city links today, to over 200 city links in the mid-2030s. There are more than 100 airlines operating from Changi today. CAAS and CAG will continue to work with airlines that are committed to the Singapore air hub to support their plans to grow their networks.

13 More details on the PSSF and Aviation Levy for OD and TT passengers are in the **Annex**.

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For more information, please contact:

Civil aviation Authority of Singapore Corporate Communications

caas_corporate_communications@caas.gov.sg

Changi Airport Group Corporate & Marketing Communications

Cmc@changiairport.com

About the Civil Aviation Authority of Singapore

The mission of the Civil Aviation Authority of Singapore (CAAS) is to grow a safe, vibrant air hub and civil aviation system, making a key contribution to Singapore's success. CAAS' roles are to oversee and promote safety in the aviation industry, develop the air hub and aviation industry, provide air navigation services, provide aviation training for human resource development, and contribute to the development of international civil aviation. For more information, visit www.caas.gov.sg.

About Changi Airport Group

Changi Airport Group (Singapore) Pte Ltd (CAG) (www.changiairportgroup.com) was formed on 16 June 2009 and the corporatisation of Singapore Changi Airport (IATA: SIN, ICAO: WSSS) followed on 1 July 2009. As the company managing Changi Airport, CAG undertakes key functions focusing on airport operations and management, air hub development, commercial activities and airport emergency services. CAG also manages Seletar Airport (IATA: XSP, ICAO: WSSL) and through its subsidiary Changi Airports International, invests in and manages foreign airports.

As one of Asia's most connected international aviation hubs, Changi Airport links Singapore to some 160 cities globally, with close to 100 airlines operating more than 7,000 weekly flights. Jewel Changi Airport, a multi-dimensional lifestyle destination, opened in April 2019, adding to Changi Airport's shopping and dining offerings of more than 600 F&B and retail outlets across the airport. The world's most awarded airport, Changi has won over 660 accolades for its consistent and excellent airport staff service, passenger experience and safety standards.

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Additional fees³ payable by Origin/Destination passengers for travel from April 2025

	Current Rate	Apr 2025	Apr 2026	Apr 2027	Apr 2028	Apr 2029	Apr 2030
Passenger Service and Security Fee (PSSF) for Origin/Destination passengers⁴	S\$46.40	(no change)		+S\$3.00	+S\$3.00	+S\$3.00	+S\$3.00
Aviation Levy⁵	S\$8.00	(no change)		+S\$2.00	(no change)		
Airport Development Levy⁶	S\$10.80	(no change)					

Additional Fees³ payable by Transfer/Transit passengers for travel from April 2025

	Current Rate	Apr 2025	Apr 2026	Apr 2027	Apr 2028	Apr 2029	Apr 2030
Passenger Service and Security Fee (PSSF) for Transfer/Transit passengers	S\$6.00	+S\$3.00	+S\$3.00	+S\$3.00	+S\$1.00	+S\$1.00	+S\$1.00
Airport Development Levy	S\$3.00	(no change)					

³ All fees referred to are for the travel period from 1 April to 31 March of the following year, and will apply to all air tickets issued from 1 January 2025.

⁴ The PSSF funds CAG's costs to operate, maintain and enhance airport infrastructure.

⁵ The Aviation Levy funds CAAS' operations to grow the air hub, including through enabling policies, regulations, infrastructure; safety oversight; and new capabilities in sustainability, innovation, manpower development and cybersecurity.

⁶ The Airport Development Levy funds Changi East developments.